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COFFEE  
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PROCUREMENT SECTION  
CURRENT SERIAL RECORDS

## WORLD COFFEE PRODUCTION

### SLIGHTLY BELOW DEMAND

#### Summary

World coffee production for 1971-72 is forecast at 71.1 million bags (132.3 pounds), according to the third (December) estimate. After allowing for consumption in the producing countries, about 52.2 million bags should be available for export markets. Exportable production, as considered here, represents total harvested production less domestic consumption. With world import demand estimated at between 53 million and 54 million bags, there may be a very small drawdown on world accumulated stocks. If so, this would be the sixth consecutive year in which production has fallen short of demand.

The estimate for 1970-71 has been revised upward on the basis of more up-to-date and complete information from the producing countries. It now appears that production was about 58.1 million bags, with exportable production estimated at approximately 39.8 million bags.

Despite the relatively low initial world export quota, prices were steady early in the October-December quarter, with little market activity. However, a firming trend was noticeable from about the first of November, which gained momentum in late November and in early December.

## COFFEE, GREEN: PRODUCTION IN SPECIFIED COUNTRIES, AVERAGE 1962-63/1966-67, ANNUAL 1967-68/1971-72 1/

| REGION AND COUNTRY      | AVERAGE<br>1962-63/1966-67 | 1967-68          | 1968-69          | 1969-70          | 1970-71          | 1971-72          |
|-------------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
|                         | 1,000<br>BAGS 2/           | 1,000<br>BAGS 2/ | 1,000<br>BAGS 2/ | 1,000<br>BAGS 2/ | 1,000<br>BAGS 2/ | 1,000<br>BAGS 2/ |
| <b>NORTH AMERICA:</b>   |                            |                  |                  |                  |                  |                  |
| COSTA RICA.....         | 1,043                      | 1,350            | 1,260            | 1,400            | 1,250            | 1,330            |
| CUBA.....               | 527                        | 450              | 500              | 500              | 550              | 550              |
| DOMINICAN REPUBLIC..... | 611                        | 635              | 540              | 640              | 675              | 625              |
| EL SALVADOR.....        | 1,898                      | 2,400            | 1,900            | 2,500            | 2,170            | 2,400            |
| GUADALUPE.....          | 7                          | 5                | 5                | 1                | 1                | 1                |
| GUATEMALA.....          | 1,808                      | 1,850            | 1,740            | 1,750            | 1,840            | 2,000            |
| HAITI.....              | 542                        | 500              | 480              | 465              | 480              | 450              |
| HONDURAS.....           | 411                        | 480              | 450              | 550              | 570              | 600              |
| JAMAICA AND DEP.....    | 24                         | 21               | 17               | 20               | 20               | 24               |
| MARTINIQUE.....         | 5                          | 4                | 4                | 1                | 1                | 1                |
| MEXICO.....             | 2,671                      | 2,900            | 2,850            | 3,075            | 3,000            | 3,200            |
| NICARAGUA.....          | 495                        | 550              | 540              | 565              | 550              | 580              |
| PANAMA.....             | 76                         | 86               | 75               | 83               | 75               | 85               |
| TRINIDAD-TOBAGO.....    | 61                         | 72               | 65               | 43               | 69               | 70               |
| US-HAWAII.....          | 55                         | 39               | 36               | 28               | 31               | 30               |
| US-PUERTO RICO.....     | 254                        | 325              | 280              | 300              | 300              | 300              |
| TOTAL.....              | 10,488                     | 11,667           | 10,742           | 11,921           | 11,582           | 12,246           |
| <b>SOUTH AMERICA:</b>   |                            |                  |                  |                  |                  |                  |
| BOLIVIA.....            | 65                         | 150              | 160              | 165              | 85               | 85               |
| BRAZIL.....             | 24,580                     | 23,000           | 16,500           | 19,000           | 9,750            | 23,600           |
| COLOMBIA.....           | 7,820                      | 8,000            | 7,900            | 8,450            | 7,800            | 7,300            |
| ECUADOR 3/.....         | 833                        | 1,175            | 1,000            | 660              | 1,300            | 1,200            |
| GUYANA.....             | 12                         | 19               | 20               | 18               | 11               | 10               |
| PARAGUAY.....           | 53                         | 40               | 65               | 50               | 33               | 50               |
| PERU.....               | 835                        | 880              | 860              | 940              | 990              | 1,030            |
| SURINAM.....            | 11                         | 7                | 7                | 6                | 5                | 6                |
| VENEZUELA.....          | 809                        | 750              | 860              | 900              | 900              | 920              |
| TOTAL.....              | 35,017                     | 34,021           | 27,372           | 30,189           | 20,874           | 34,201           |
| <b>AFRICA:</b>          |                            |                  |                  |                  |                  |                  |
| ANGOLA.....             | 3,017                      | 3,400            | 3,100            | 3,300            | 3,300            | 3,400            |
| BURUNDI.....            | 200                        | 315              | 275              | 240              | 350              | 385              |
| CAMEROON.....           | 939                        | 1,100            | 1,100            | 1,200            | 1,150            | 1,250            |
| CAPE VERDE ISLANDS..... | 2                          | 2                | 2                | 2                | 1                | 1                |
| CENT AFRICAN REP.....   | 155                        | 175              | 160              | 200              | 150              | 160              |
| COMORO ISLANDS.....     | 3                          | 3                | 3                | 3                | 3                | 3                |
| CUNEO, BHAZZAVILLE..... | 14                         | 10               | 20               | 15               | 15               | 15               |
| DAHOMY.....             | 28                         | 15               | 18               | 15               | 15               | 15               |
| EQUATORIAL GUINEA.....  | 125                        | 145              | 125              | 120              | 120              | 120              |
| ETHIOPIA.....           | 1,603                      | 1,750            | 2,045            | 2,000            | 2,100            | 2,150            |
| GABON.....              | 17                         | 15               | 20               | 20               | 15               | 15               |
| GHANA.....              | 56                         | 94               | 83               | 90               | 75               | 85               |
| GUINEA.....             | 164                        | 170              | 180              | 200              | 175              | 175              |
| IVORY COAST.....        | 3,565                      | 4,500            | 3,400            | 4,600            | 4,000            | 4,000            |
| KENYA.....              | 769                        | 650              | 800              | 1,000            | 1,160            | 1,100            |
| LIBERIA.....            | 58                         | 58               | 65               | 75               | 85               | 75               |
| MALAGASY REPUBLIC.....  | 915                        | 1,100            | 900              | 830              | 1,300            | 965              |
| NIGERIA.....            | 34                         | 51               | 53               | 50               | 90               | 65               |
| RWANDA.....             | 147                        | 190              | 200              | 145              | 235              | 200              |
| SAO TOME-PRINCIPE.....  | 6                          | 6                | 6                | 4                | 3                | 3                |
| SIERRA LEONE.....       | 90                         | 80               | 95               | 90               | 125              | 100              |
| TANZANIA.....           | 653                        | 740              | 950              | 775              | 900              | 900              |
| TOGO.....               | 184                        | 175              | 280              | 220              | 220              | 220              |
| UGANDA.....             | 2,669                      | 2,700            | 3,335            | 3,350            | 3,000            | 3,000            |
| ZAIRE (CONGO, K).....   | 1,005                      | 1,000            | 1,000            | 1,100            | 1,200            | 1,200            |
| TOTAL.....              | 16,419                     | 18,444           | 18,215           | 19,649           | 19,787           | 19,602           |
| <b>ASIA:</b>            |                            |                  |                  |                  |                  |                  |
| INDIA.....              | 1,181                      | 1,050            | 1,300            | 1,150            | 1,900            | 1,850            |
| INDONESIA.....          | 2,016                      | 2,150            | 2,000            | 2,200            | 2,350            | 2,250            |
| MALAYSIA.....           | 111                        | 135              | 135              | 63               | 60               | 63               |
| PHILIPPINES.....        | 679                        | 700              | 735              | 815              | 840              | 840              |
| PORTUGUESE TIMOR.....   | 38                         | 48               | 55               | 50               | 50               | 50               |
| VIETNAM SOUTH.....      | 57                         | 55               | 55               | 50               | 50               | 50               |
| YEMEN.....              | 77                         | 60               | 70               | 60               | 60               | 60               |
| TOTAL.....              | 4,159                      | 4,198            | 4,350            | 4,388            | 5,310            | 4,563            |
| <b>OCEANIA:</b>         |                            |                  |                  |                  |                  |                  |
| NEW CALEDONIA.....      | 35                         | 35               | 30               | 30               | 30               | 25               |
| NEW GUINEA.....         | 118                        | 243              | 355              | 408              | 460              | 475              |
| NEW HEBRIDES.....       | 4                          | 4                | 4                | 3                | 3                | 3                |
| TOTAL.....              | 157                        | 282              | 389              | 441              | 493              | 503              |
| <b>WORLD TOTAL.....</b> | <b>66,240</b>              | <b>68,612</b>    | <b>61,068</b>    | <b>66,588</b>    | <b>58,046</b>    | <b>71,115</b>    |

1/ Coffee marketing year begins about July in some countries and in others about October. 2/ Of 60 kilograms each. 3/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1971 in that country is shown as production for the 1971-72 marketing year. In Ecuador, however, this is referred to as the 1970-71 crop.

Note: Production estimates for some countries include cross-border movements.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

## COFFEE, GREEN EXPT: PRODUCTION IN SPECIFIED COUNTRIES, AVERAGE 1962-63/1966-67, ANNUAL 1967-68/1971-72 1/

| REGION AND COUNTRY      | AVERAGE          |                  |                  |                  |                  |                  |
|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                         | 1962-63/1966-67  | 1967-68          | 1968-69          | 1969-70          | 1970-71          | 1971-72          |
|                         | 1,000<br>BAGS 2/ | 1,000<br>BAGS 2/ | 1,000<br>BAGS 2/ | 1,000<br>BAGS 2/ | 1,000<br>BAGS 2/ | 1,000<br>BAGS 2/ |
| <b>NORTH AMERICA:</b>   |                  |                  |                  |                  |                  |                  |
| COSTA RICA.....         | 917              | 1,210            | 1,115            | 1,250            | 1,095            | 1,170            |
| CUBA.....               | 10               | ---              | ---              | ---              | ---              | ---              |
| DOMINICAN REPUBLIC..... | 455              | 465              | 365              | 450              | 480              | 425              |
| EL SALVADOR.....        | 1,775            | 2,260            | 1,755            | 2,350            | 2,015            | 2,260            |
| GUADELOUPE.....         | 2                | 3/               | 3/               | 3/               | 3/               | 3/               |
| GUATEMALA.....          | 1,597            | 1,625            | 1,505            | 1,510            | 1,590            | 1,745            |
| HAITI.....              | 374              | 320              | 295              | 260              | 275              | 240              |
| HONOURAS.....           | 330              | 390              | 350              | 445              | 460              | 485              |
| JAMAICA AND DEP.....    | 11               | 9                | 4                | 5                | 1                | 2                |
| MARTINIQUE.....         | ---              | ---              | ---              | ---              | ---              | ---              |
| MEXICO.....             | 1,561            | 1,500            | 1,400            | 1,575            | 1,480            | 1,635            |
| NICARAGUA.....          | 444              | 490              | 495              | 495              | 470              | 495              |
| PANAMA.....             | 21               | 24               | 11               | 18               | 9                | 15               |
| TRINIDAD-TOBAGO.....    | 51               | 59               | 51               | 33               | 53               | 54               |
| US-HAWAII.....          | 12               | 10               | 26               | ---              | ---              | ---              |
| US-PUERTO RICO.....     | 35               | ---              | ---              | ---              | ---              | ---              |
| TOTAL.....              | 7,594            | 8,362            | 7,372            | 8,391            | 7,928            | 8,506            |
| <b>SOUTH AMERICA:</b>   |                  |                  |                  |                  |                  |                  |
| BOLIVIA.....            | 26               | 50               | 55               | 55               | 65               | 65               |
| BRAZIL.....             | 17,280           | 14,745           | 8,000            | 10,250           | 1,500            | 14,850           |
| COLOMBIA.....           | 6,710            | 6,700            | 6,570            | 7,080            | 6,390            | 5,850            |
| ECUADOR 4/.....         | 650              | 975              | 795              | 450              | 1,080            | 975              |
| GUYANA.....             | 3                | 1                | 2                | 2                | ---              | ---              |
| PARAGUAY.....           | 43               | 29               | 40               | 25               | 13               | 30               |
| PERU.....               | 648              | 670              | 645              | 720              | 760              | 795              |
| SURINAM.....            | 6                | 2                | 3                | 3                | 2                | 3                |
| VENEZUELA.....          | 294              | 180              | 270              | 285              | 265              | 270              |
| TOTAL.....              | 25,660           | 23,352           | 16,380           | 18,870           | 10,075           | 22,838           |
| <b>AFRICA:</b>          |                  |                  |                  |                  |                  |                  |
| ANGOLA.....             | 2,960            | 3,340            | 3,040            | 3,200            | 3,200            | 3,300            |
| BURUNDI.....            | 195              | 310              | 270              | 235              | 345              | 380              |
| CAMEROON.....           | 912              | 1,070            | 1,070            | 1,170            | 1,125            | 1,220            |
| CAPE VERDE ISLANDS..... | 2                | 2                | 2                | 1                | ---              | ---              |
| CENT AFRICAN REP.....   | 150              | 170              | 155              | 195              | 145              | 155              |
| COMORO ISLANDS.....     | 1                | 1                | 1                | 1                | 1                | 1                |
| CONGO, BRAZZAVILLE..... | 17               | 9                | 19               | 14               | 14               | 14               |
| GAHOMBE.....            | 24               | 13               | 16               | 13               | 13               | 14               |
| EQUATORIAL GUINEA.....  | 115              | 135              | 115              | 110              | 115              | 115              |
| ETHIOPIA.....           | 1,251            | 1,380            | 1,420            | 1,375            | 1,450            | 1,490            |
| GABON.....              | 18               | 13               | 18               | 18               | 14               | 14               |
| GHANA.....              | 45               | 92               | 70               | 81               | 62               | 72               |
| GUINEA.....             | 149              | 155              | 175              | 190              | 170              | 170              |
| IVORY COAST.....        | 3,514            | 4,445            | 3,350            | 4,535            | 3,950            | 3,950            |
| KENYA.....              | 749              | 630              | 780              | 980              | 1,135            | 1,075            |
| LIBERIA.....            | 56               | 56               | 63               | 70               | 80               | 70               |
| MALAGASY REPUBLIC.....  | 814              | 990              | 785              | 710              | 1,175            | 835              |
| NIGERIA.....            | 36               | 49               | 43               | 30               | 65               | 40               |
| RWANDA.....             | 142              | 180              | 190              | 135              | 230              | 195              |
| SAO TOME-PRINCIPE.....  | 5                | 5                | 3                | 2                | 1                | 1                |
| SIERRA LEONE.....       | 80               | 70               | 85               | 85               | 120              | 95               |
| TANZANIA.....           | 638              | 725              | 935              | 760              | 880              | 880              |
| TOGO.....               | 180              | 170              | 275              | 217              | 217              | 217              |
| UGANDA.....             | 2,655            | 2,685            | 3,320            | 3,335            | 2,985            | 2,985            |
| ZAIRE (CONGO,K).....    | 955              | 950              | 950              | 1,025            | 1,125            | 1,125            |
| TOTAL.....              | 15,664           | 17,645           | 17,150           | 18,487           | 18,618           | 18,413           |
| <b>ASIA:</b>            |                  |                  |                  |                  |                  |                  |
| INDIA.....              | 522              | 350              | 560              | 410              | 1,150            | 485              |
| INDONESIA.....          | 1,694            | 1,650            | 1,500            | 1,500            | 1,450            | 1,320            |
| MALAYSIA.....           | ---              | ---              | ---              | ---              | ---              | ---              |
| PHILIPPINES.....        | ---              | ---              | ---              | ---              | 22               | 10               |
| PORTUGUESE TIMOR.....   | 33               | 43               | 50               | 45               | 40               | 40               |
| VIETNAM SOUTH.....      | 3/               | 3/               | 3/               | 3/               | 3/               | 3/               |
| YEMEN.....              | 69               | 50               | 60               | 50               | 50               | 50               |
| TOTAL.....              | 2,319            | 2,093            | 2,170            | 2,005            | 2,712            | 1,905            |
| <b>OCEANIA:</b>         |                  |                  |                  |                  |                  |                  |
| NEW CALEDONIA.....      | 30               | 30               | 20               | 20               | 20               | 15               |
| NEW GUINEA.....         | 103              | 240              | 315              | 404              | 456              | 471              |
| NEW HEBRIDES.....       | 4                | 4                | 3                | 2                | 2                | 2                |
| TOTAL.....              | 137              | 274              | 338              | 426              | 478              | 488              |
| <b>WORLD TOTAL.....</b> | <b>51,374</b>    | <b>51,726</b>    | <b>43,410</b>    | <b>48,179</b>    | <b>39,811</b>    | <b>52,150</b>    |

1/ Coffee marketing year begins about July in some countries and in others about October. Exportable production represents total harvested production minus estimated domestic consumption. 2/ Of 60 kilograms each. 3/ Negligible. 4/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1971 in that country is shown as production for the 1971-72 marketing year. In Ecuador, however, this is referred to as the 1970-71 crop.

Note: Production estimates for some countries include cross-border movements.

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## Production

North America. Only a few relatively minor changes were made in the previous production estimates for the Caribbean and North American coffee producing countries. The most significant were a slight increase in the forecast for El Salvador and a small reduction in the estimate for Mexico.

Harvesting of the 1971-72 crop commenced during the quarter (October-December) and appeared to be progressing normally in all countries.

In Costa Rica, hurricane "Irene" caused some slight, localized damage in the Meseta and Pacific slope areas but estimates for the total harvest remain unchanged. Coffee circles are increasingly concerned over the growing surplus of coffee and efforts are being intensified to sell coffee to Annex B countries (countries to which exports are not charged against quota under the International Coffee Agreement).

On the basis of more recent information, the production estimate for El Salvador has been increased slightly to about 2.4 million bags total, or about 2.24 million bags exportable. This large crop, on top of an extremely large carryover stock on Oct. 1 from previous years, poses difficult problems for storing and financing of coffee.

Nicaraguan coffee production during the current crop year still is estimated at about 580,000 bags, up somewhat from the revised 1970-71 figure. However, though last year's production appeared to be in reasonable balance with final exports and domestic consumption, the country was confronted for the first time by a fairly heavy carryover on Oct. 1, 1971. Various explanations are offered, but the view cannot be discounted that a substantial amount of coffee from other Central American countries entered the country clandestinely.

It is still anticipated that production in Guatemala for 1971-72 will reach approximately 2 million bags. Although not yet a problem, a slight accumulation of stocks occurred in 1970-71.

Estimates for Honduras remain unchanged. Surplus stocks are building up, and increased efforts to move this coffee to nonquota markets can be expected.

Though 1971-72 production in Jamaica is expected to increase over the previous year's output, imports continue to grow to meet increasing local demand. These imports generally are of lower-priced coffees, thus allowing Jamaica to continue to export its higher-quality coffee, including the famous Blue Mountain variety.

Production estimates for Trinidad for 1971-72 have been revised downward in the light of recent information.

South America. There has been only one change in the 1971-72 production estimates for the South American coffee-producing countries since the second estimate in October. However, the figures for both Brazil and Colombia remain subject to revision after further evaluation of Brazilian recovery from the 1969 frost and the effects in Colombia of the prolonged rains of the past year.

The current Brazilian crop still is estimated at 23.6 million bags, though subsequent revisions, probably downward, may become necessary. There have been reports of "broca" damage in certain areas, though this coffee still would be usable for producing soluble coffee.

In a public statement in October, the Brazilian Coffee Institute (IBC) President Panteado confirmed the presence of Hemileia vastatrix, the dreaded "coffee rust" in the State of Paraná. Since its initial discovery in the State of Bahia in January 1970, the fungus disease has spread to all the Brazilian coffee producing States. The IBC statement expressed the belief that there was no justification for alarm since adequate control measures are available which would ensure that Brazilian planters could continue to produce coffee economically.

Information from a number of sources regarding 1971-72 coffee production in Colombia is more variable than usual. Originally, it had been anticipated that the crop would be a large one. However, prolonged and extremely severe rains affecting widespread areas of the country induced most observers to drastically reduce their estimates. For the present, 1971-72 production is estimated at 7.3 million bags. Conceivably, this estimate might have to be lowered still further as more detailed information becomes available. Meanwhile, the estimates for the preceding 1970-71 crop have been increased somewhat to about 7.8 million bags.

Africa. With milling of the 1970-71 harvest now completed in Kenya, it is clear that production exceeded previous estimates and reached new record levels. The 1971-72 crop, presently estimated at about 1.1 million bags also will be well above the average of recent years, though somewhat smaller than last year's harvest. With accumulated stocks reaching burdensome proportions for the first time, it is evident that Kenya must direct increasing efforts towards expansion of exports to nonquota countries.

Angola will have another good harvest in 1971-72 with production estimated at about 3.4 million bags. Production has shown only minor fluctuations in recent years, ranging from about 3.1 million to 3.4 million bags.

Coffee production in Uganda is forecast at 3 million bags for the current year, about the same as in 1970-71. A succession of large harvests during the past 4 years now has resulted in the accumulation of large surplus stocks, despite efforts to expand sales to nonquota markets. As more Robusta-producing countries compete for the rather limited nonquota markets available to them, it seems likely that many, such as Uganda, will begin to stress crop diversification with less emphasis on coffee, if for no other reason than to reduce the high costs of maintaining stocks.

Recent information indicates that previous estimates of production in Madagascar may have been overly conservative. The estimates for both 1970-71 and 1971-72 have been increased to conform to more recent data. The exceptionally large 1970-71 harvest may have been caused, in part at least, by the enhanced vigor of the trees following the relatively small 1969-70 crop.

Asia and Oceania. With processing now complete, it appears that last year's record-breaking harvest in India was even larger than estimated earlier. Final data indicate production of about 1.9 million bags. The current 1971-72 crop is substantially less, and more in line with long-term trends.

Production estimates for Papua and New Guinea, for both 1970-71 and 1971-72, have been revised downward slightly in the light of the most recent reports from those areas.

Very minor changes will be noted in the exportable production estimates for Indonesia, because of a revision in the estimate of the amount of coffee consumed domestically.

#### Other Developments

Market Situation. The United States coffee market generally was quiet throughout the quarter as both importers and foreign exporters were apparently content to wait out resolution of the confused dock strike situation, with neither side entering the market aggressively. On Oct. 1, many of the atlantic and gulf coast ports were closed down by a strike of longshoremen. However, a number of ports in these areas continued to operate, and others resumed operation after more or less brief closures as a result of court actions. Meanwhile, longshoremen on the west coast went back to work early in October under a Taft-Hartley injunction. Although a good deal of disruption has occurred, at no time have all ports in the United States been inoperative at the same time; thus imports have continued to enter the country. Additionally, inventories had been built up to very high levels by unusually large imports, amounting to 7.6 million bags in the July-September quarter and, about 18.3 million bags for the first 9 months of 1971. According to Bureau of the Census data, inventories of green coffee in the United States were at a record high level of nearly 5.3 million bags on Sept. 30, 1971.



Despite the lack of any substantial U.S. demand for green coffee, prices for all four major types of coffee remained firm during the quarter and, in fact, trended gradually upward from late October on. The strengthening trend was particularly noticeable for Colombian Milds and Other Milds which increased from 47.0 cents and 42.5 cents per pound on Oct. 1 to 51.75 and 45.25 cents per pound on Dec. 30, respectively.

International Coffee Agreement Actions. A number of decisions affecting 1971-72 quotas were taken by the Executive Board of the International Coffee Organization (ICO) during the October-December quarter.

Since the indicator price for Other Milds was 137 points below the agreed floor for the group at the start of the coffee year on Oct. 1, 1971, a 15-marketing-day countdown was commenced. The price having remained below the floor for the required period, the 2.5-percent quota reduction for the members of the group (amounting to about 240,000 bags) went into effect on Oct. 28, 1971, despite a plea from the countries concerned that the cut not be implemented. A second countdown was commenced on Oct. 29 and completed Nov. 19, with an average price of only 43.5 cents per pound, still below the floor. However, since the indicator price had risen to 44 cents by the time the countdown ended, it was agreed to suspend this second 2.5-percent cut in quota for the Other Milds group.

In another action early in November, the Executive Board approved a redistribution of quarterly export quotas for the following countries: India, El Salvador, Liberia, Mexico, Ecuador, Nicaragua, Peru, Sierra Leone, Guatemala, Venezuela, and Costa Rica. Subsequently, Honduras was added to the list. These countries now will be permitted to ship 30 percent of their annual quota in the first quarter, 30 percent in the second quarter, and 20 percent in each of the last two quarters of the coffee year, instead of the 22, 25, 26, and 27 percent originally stipulated.

Subsequently, on Nov. 22 the Executive Board approved a U.S. request to switch the first- and second-quarter export quotas for the other three groups of coffee.

In late November the upward movement of prices pushed Colombian Milds over their ceiling of 50 cents and Robustas over their ceiling of 42.5 cents per pound. Fifteen marketing-day countdowns were initiated on Nov. 29 for Colombian Milds, and Dec. 1 for Robustas.

On Dec. 3 a similar countdown was commenced to determine whether a 1-million-bag overall quota increase would be put into effect, since the composite price had passed the 45-cents-per-pound level.

The Diversification Fund Board of the ICO met during the last week of October and approved proposals for financing projects in 5 producing countries. The total value of these projects amounts to US\$19.56 million. The countries involved are Brazil, Colombia, Guatemala, Ivory Coast, and Tanzania. Following Board authorization for the projects, the Executive Director of the ICO will enter into negotiations with the governments of these countries and will sign the appropriate loan contracts on behalf of the Fund.

The five projects are as follows:

1. \$1.98 million for surveys of the coffee industry and improving statistical techniques in Brazil;
2. \$7.2 million for developing cocoa production in coffee-producing areas of Colombia;
3. \$3.34 million for Guatemala for developing oil palm fruit and dairy farming in coffee-producing areas;
4. a \$5.87-million project for the Ivory Coast for cultivating rice at Yamoussoukro;
5. a \$1.17-million project to contribute toward financing a project for small-holder tea development for Tanzania in participation with the International Development Association and the Norwegian Agency for International Development.

The projects in Colombia, Guatemala, and the Ivory Coast are designed to meet domestic demands. Resources in the ICO Fund presently amount to some \$81 million. It is expected that this will increase to \$134 million by the time the International Coffee Agreement expires in September 1973. The first project approved by the Fund was in April 1971 and was to Kenya in the amount of \$460,000 for a livestock development project.

Coffee: Export value as percent of total exports, 1966-70

| Continent and country   | 1966           | 1967           | 1968           | 1969           | 1970           |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
|                         | <u>Percent</u> | <u>Percent</u> | <u>Percent</u> | <u>Percent</u> | <u>Percent</u> |
| North America:          |                |                |                |                |                |
| Costa Rica.....         | 38.8           | 39.8           | 31.4           | 27.0           | 34.5           |
| Dominican Republic..... | 15.4           | 10.8           | 10.9           | 11.6           | 12.1           |
| El Salvador.....        | 47.1           | 46.8           | 43.5           | 43.1           | 49.4           |
| Guatemala.....          | 44.3           | 34.5           | 33.0           | 31.9           | 34.6           |
| Haiti.....              | 51.2           | 37.2           | 38.9           | 44.0           | 31.5           |
| Honduras.....           | 14.0           | 11.4           | 12.0           | 11.1           | 15.2           |
| Mexico.....             | 6.1            | 4.7            | 6.3            | 5.0            | 6.0            |
| Nicaragua.....          | 15.3           | 13.9           | 14.0           | 13.0           | 18.4           |
| South America:          |                |                |                |                |                |
| Brazil.....             | 43.9           | 42.6           | 41.2           | 35.2           | 37.1           |
| Colombia.....           | 64.7           | 63.2           | 62.9           | 56.6           | 66.0           |
| Ecuador.....            | 17.2           | 19.9           | 17.9           | 14.6           | 24.3           |
| Peru.....               | 3.7            | 3.9            | 4.1            | 3.6            | 4.2            |
| Venezuela.....          | .5             | .5             | .3             | .5             | 0.6            |
| Africa:                 |                |                |                |                |                |
| Angola.....             | 48.1           | 51.9           | 45.3           | 35.7           | 31.6           |
| Cameroon.....           | 29.4           | 31.9           | 27.0           | 20.2           | N.A.           |
| Ethiopia.....           | 57.7           | 55.2           | 59.3           | 59.6           | 61.5           |
| Ivory Coast.....        | 39.4           | 31.7           | 34.2           | 25.5           | 33.2           |
| Kenya.....              | 32.2           | 29.3           | 22.2           | 26.6           | 31.1           |
| Malagasy Republic.....  | 31.5           | 31.6           | 30.8           | 28.4           | 27.2           |
| Tanzania.....           | 19.1           | 15.4           | 16.7           | 15.4           | 18.5           |
| Uganda.....             | 52.8           | 53.5           | 54.6           | 55.8           | 58.3           |
| Asia and Oceania:       |                |                |                |                |                |
| India.....              | 1.4            | 1.0            | 1.4            | 1.5            | 1.6            |
| Indonesia.....          | 4.8            | 6.6            | 6.2            | 6.4            | 8.5            |

Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U. S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information. Subject to revision.

Green Coffee: Exports from specified countries, by country of destination, calendar year 1970

| Country of destination  | Angola    | Brazil     | Colombia  | Guatemala | Ivory Coast | Mexico    |
|-------------------------|-----------|------------|-----------|-----------|-------------|-----------|
|                         | Bags 1/   | Bags 1/    | Bags 1/   | Bags 1/   | Bags 1/     | Bags 1/   |
| Europe:                 |           |            |           |           |             |           |
| Austria.....            | ---       | 56,475     | 117       | 167       | ---         | ---       |
| Belgium-Luxembourg..... | 34,500    | 267,494    | 109,117   | 64,450    | ---         | 27,000    |
| Bulgaria.....           | ---       | 1,353      | ---       | ---       | ---         | ---       |
| Czechoslovakia.....     | ---       | 188,815    | 25,350    | ---       | ---         | ---       |
| Denmark.....            | 23,567    | 693,336    | 74,817    | 6,033     | ---         | 2,733     |
| Finland.....            | 7,717     | 274,909    | 323,850   | 107,050   | ---         | 1,750     |
| France.....             | 14,567    | 706,500    | 54,267    | 15,250    | 1,314,533   | 8,850     |
| Germany, East.....      | ---       | 242,824    | 106,533   | ---       | ---         | ---       |
| Germany, West.....      | 41,983    | 717,741    | 1,280,800 | 346,550   | 187,667     | 87,883    |
| Greece.....             | ---       | 90,963     | 11,000    | ---       | ---         | ---       |
| Hungary.....            | ---       | 173,823    | 15,000    | ---       | 8,400       | ---       |
| Iceland.....            | ---       | 27,063     | ---       | ---       | ---         | ---       |
| Italy.....              | 917       | 2,245,766  | 52,583    | 18,617    | 61,283      | 2,150     |
| Netherlands.....        | 618,283   | 561,779    | 403,533   | 134,466   | 5,900       | 14,400    |
| Norway.....             | 11,833    | 412,462    | 44,017    | 16,967    | ---         | ---       |
| Poland.....             | 39,033    | 127,220    | 17,633    | ---       | ---         | ---       |
| Portugal.....           | 286,217   | ---        | ---       | ---       | ---         | ---       |
| Rumania.....            | ---       | 20,044     | 33,333    | 4,600     | ---         | ---       |
| Spain.....              | 145,400   | 356,575    | 421,250   | 2,333     | ---         | 70,933    |
| Sweden.....             | 15,750    | 971,186    | 267,183   | 55,850    | ---         | 1,683     |
| Switzerland.....        | 23,300    | 100,295    | 29,300    | 10,150    | ---         | 74,733    |
| United Kingdom.....     | 55,517    | 413,025    | 55,767    | 11,350    | 47,850      | 13,617    |
| USSR.....               | ---       | ---        | 200,000   | ---       | ---         | ---       |
| Yugoslavia.....         | ---       | 250,554    | 100,000   | ---       | ---         | 34,367    |
| Others.....             | ---       | ---        | ---       | ---       | ---         | ---       |
| Total.....              | 1,318,584 | 8,900,202  | 3,625,450 | 793,833   | 1,625,633   | 340,099   |
| North America:          |           |            |           |           |             |           |
| Canada.....             | 189,683   | 268,333    | 52,417    | 27,433    | ---         | 21,433    |
| United States.....      | 1,361,917 | 4,952,279  | 2,470,617 | 703,567   | 1,273,433   | 985,833   |
| Others.....             | ---       | ---        | ---       | ---       | ---         | ---       |
| Total.....              | 1,551,600 | 5,220,612  | 2,523,034 | 731,000   | 1,273,433   | 1,007,266 |
| South America.....      | ---       | 558,068    | 111,283   | ---       | ---         | ---       |
| Africa.....             | 117,217   | 376,953    | 1,283     | 32,400    | 80,117      | ---       |
| Asia and Oceania.....   | 21,800    | 987,993    | 134,083   | 27,350    | 217,500     | 1,035     |
| Not specified.....      | 266       | ---        | 467       | ---       | 58,400      | ---       |
| Grand total.....        | 3,009,467 | 16,043,828 | 6,395,600 | 1,584,583 | 3,255,083   | 1,348,400 |

1/ Bags of 60 kilograms or 132.276 pounds.

Compiled from official statistics of specified countries.





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